

ORIGINAL



1 John E. Dougherty
2 PO Box 501
3 Rimrock, AZ 86335
4 Complainant & Intervenor

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2013 JUN 10 A 8:15

BEFORE THE ARIZONA CORPORATION COMMISSION

ARIZONA CORPORATION COMMISSION
SECRET CONTROL

9 COMMISSIONERS

10
11 BOB STUMP-Chairman
12 GARY PIERCE
13 BRENDA BURNS
14 BOB BURNS
15 SUSAN BITTER SMITH
16

17
18 IN THE MATTER OF THE APPLICATION OF
19 MONTEZUMA RIMROCK WATER COMPANY,
20 LLC FOR APPROVAL OF FINANCING TO
21 INSTALL A WATER LINE FROM THE WELL ON
22 TIEMAN TO WELL NO. 1 ON TOWERS

W-04254A-12-0204

23
24 IN THE MATTER OF THE APPLICATION OF
25 MONTEZUMA RIMROCK WATER COMPANY,
26 LLC FOR APPROVAL OF FINANCING TO
27 PURCHASE THE WELL NO. 4 SITE AND THE
28 COMPANY VEHICLE.

W-04254A-12-0205

29
30 IN THE MATTER OF THE APPLICATION OF
31 MONTEZUMA RIMROCK WATER COMPANY,
32 LLC FOR APPROVAL OF FINANCING FOR AN
33 8,000-GALLON HYDRO-PNEUMATIC TANK

W-04254A-12-0206

34
35 IN THE MATTER OF THE RATE
36 APPLICATION OF MONTEZUMA RIMROCK
37 WATER COMPANY, LLC.

W-04254A-12-0207

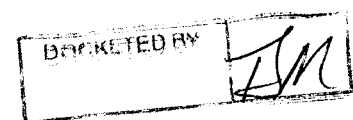
38
39 JOHN E. DOUGHERTY,
40 COMPLAINANT,
41 V.
42 MONTEZUMA RIMROCK WATER
43 COMPANY, LLC,
44 RESPONDENT.
45
46
47

W-04254A-11-0323

Arizona Corporation Commission

DOCKETED

JUN 10 2013



1 IN THE MATTER OF THE APPLICATION OF
2 MONTEZUMA RIMROCK WATER
3 COMPANY, LLC FOR APPROVAL OF A
4 RATE INCREASE.

W-04254A-08-0361

5
6 IN THE MATTER OF THE APPLICATION OF
7 MONTEZUMA RIMROCK WATER
8 COMPANY, LLC FOR APPROVAL OF A
9 FINANCING APPLICATION.

W-04254A-08-0362

10
11
12 **Notice of Filing**
13 **Supplemental Exhibits**
14

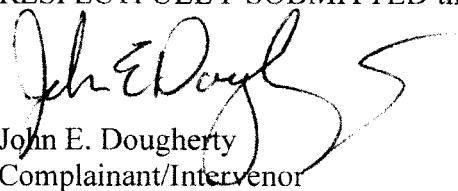
15 By the Complainant/Intervenor:

16
17 Responsive testimony filed on June 6, 2013 included Exhibit 24.

18
19 Complainant/Intervenor hereby supplements Exhibit 24 with the attached exhibits that
20 include:

- 21
22 • An April 17, 2012 ADEQ email referring to an April 17, 2012 pre-meeting
23 involving ADEQ and ACC staff (Exhibit 24A)
24 • Additional notes from the April 26, 2012 joint ADEQ/ACC/MRWC meeting
25 (24B and 24C)
26 • A May 1, 2012 email string from Complainant/Intervenor to ADEQ to ACC
27 utilities director Steve Olea to ACC staff attorney Charles Hains. (Exhibit 25).
28

29 RESPECTFULLY SUBMITTED this 10th Day of June, 2013.

30
31 
32
33 John E. Dougherty
34 Complainant/Intervenor
35

36 Copies of the foregoing Mailed/Hand Delivered
37 This 10th day of June, 2013 to:

38
39 Todd C. Wiley
40 2934 E. Camelback Rd.
41 Suite 600
42 Phoenix, AZ 85016
43
44
45
46

Janice Alward
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

1 Patricia D. Olsen, Manager
2 Montezuma Rimrock Water Company
3 PO Box 10
4 Rimrock AZ 86335
5

6 Lyn Farmer
7 Arizona Corporation Commission
8 1200 W. Washington St.
9 Phoenix, AZ 85007
10
11
12
13

Steve Olea
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Exhibit 24 A

Mindi Cross

From: Vivian J. Burns
Sent: Tuesday, April 17, 2012 12:44 PM
To: Marcia R. Colquitt; Mindi Cross
Subject: FYI

ACC representatives who will attend the
Montezuma RR meeting
April 26, 2012, plus the pre meeting April
17:

Charles Haines 542-6026
(Attorney - will be the main contact)

(Charles is not available for the April 17 meeting, Nancy
Scott will fill him in)

Marlin Scott 542-7272
(Engineer)

Jeff 364-2034
(Accountant? Looking at proposed leases
for the arsenic treatment)

Nancy Scott 542-0742
(Attorney finance section)

Exhibit 24 B



Meeting Agenda

April 26, 2012

Montezuma Rimrock Water Co

1. Effective date of Amendment #1 to Consent Order

- Completion date for the installation and operation of the arsenic treatment system

June 2, 2011

June 7, 2011

2. Administrative Notice of Violation issued

- 30 days to come into compliance

April 11, 2012

3. Status, contracts for arsenic treatment system, and completion date for installation and operation of the arsenic treatment system

- what are the plans?

- ☐ is well necessary for Arsenic treatment need 100 Gpm for Arsenic treatment

- ☐ approved system
- contract to install

- ☐ lawsuit against the County

- ☐ time frame / judge will set a hearing

4. Alternate water supply issues

5. Next steps and action items

- ☐ AOC approval
- ☐ how long will it take to approve.

Attendees:

Patricia Olsen, Owner Montezuma Rimrock Water Co
Mindi Cross, ADEQ Water Quality Compliance Section Manager
Marcia Colquitt, ADEQ Water Quality Enforcement Unit Manager
Vivian Burns, ADEQ Water Quality Enforcement Case Manager
Nancy Scott, ACC Accounting Section Advisor
Marlin Scott, ACC Engineering Staff
Jeff Michlik, ACC Accounting Staff

☒ original order was effective 2010
☒ granted exten due April 2012
☒ well special use

☒ complain
☒ people are not calling

□ lawsuit again the County

- had an extension
- file an extension to be renewed
- lawsuit against
- well site - meets 100 ft set back
- County has rules are more stringent 50 ft wli
- refusing to put well wli 50 ft and its only 20 ft.
- appealing - County would restore
- new well versus replacement well

] what needs

- file an appeal
- can use well while filing appeal
- = Arsenic is designed
- moving forward with installation of arsenic treatment
- installation could be June 7, 2012
- if cannot use Arsenic treatment plant well

] contends to she can use wells

] understood she agreed to a penalty.

- neighbor wants lots of money
- she has money to pursue lawsuit against County
- would not provide a copy of letter to us

- fiberglass tanks versus steel tanks

Exhibit 24 C



Meeting Agenda

April 26, 2012

Montezuma Rimrock Water Co

1. Effective date of Amendment #1 to Consent Order

June 2, 2011

- Completion date for the installation and operation of the arsenic treatment system

June 7, 2011

(3-4 mos.)
2,000 gal.

150 gpm design

100 = for backwash
50 = for customers

2. Administrative Notice of Violation issued

- 30 days to come into compliance

no cross connection

April 11, 2012

tank: fiberglass vs steel

hope to use well during appeal

Backwash tank

3. Status, contracts for arsenic treatment system, and completion date for installation and operation of the arsenic treatment system

Kevlor Design < MAY 10, 2012
April 20, 2012

June 7, 2012

4. Alternate water supply issues

Records available
cell phone #

Tremen → replacement well

5. Next steps and action items

complaints to be forwarded to Patsey

Attendees:

Patricia Olsen, Owner Montezuma Rimrock Water Co
Mindi Cross, ADEQ Water Quality Compliance Section Manager
Marcia Colquitt, ADEQ Water Quality Enforcement Unit Manager
Vivian Burns, ADEQ Water Quality Enforcement Case Manager
Nancy Scott, ACC Accounting Section Advisor
Marlin Scott, ACC Engineering Staff
Jeff Michlik, ACC Accounting Staff

Exhibit 25

Charles Hains

From: Steven Olea
Sent: Tuesday, May 01, 2012 11:48 AM
To: Charles Hains
Subject: FW: Montezuma Rimrock Water Company Use Permit Revocation
Attachments: MRWC well 4 UP revokation letter copy.doc

FYI

From: Michael A. Fulton [<mailto:Fulton.Michael@azdeq.gov>]
Sent: Tuesday, May 01, 2012 11:22 AM
To: Steven Olea
Subject: FW: Montezuma Rimrock Water Company Use Permit Revocation

FYI

Mike

From: John Dougherty [<mailto:jd.investigativemedia@gmail.com>]
Sent: Tuesday, May 01, 2012 10:52 AM
To: Vivian J. Burns
Cc: Michael A. Fulton
Subject: Montezuma Rimrock Water Company Use Permit Revocation

Ms. Burns:

On April 10, 2012, Yavapai County Development Services revoked MRWC's commercial use permit for Well #4. As of this date, MRWC has no legal right to operate any business operations from Well #4. This means the company cannot use Well #4 to "water trees" or to "feed Well #4 into storage for backwash", as MRWC stated according to the notes of the April 26, 2012 conference between ADEQ and the Company.

I urge ADEQ to contact Yavapai County Development Services Director Steve Mauk at 928-771-3216 for additional information, particularly since ADEQ intends to "check to see if using Well#4 for backwash is a problem."

The notes of the April 26, 2012 meeting between ADEQ and MRWC also indicate that MRWC states it will arsenic treatment plant installed by June 7, 2012. The ACC has not yet approved a financing plan for the construction of the arsenic treatment plant. The Company remains under the Oct. 2009 ACC Decision No. 71317 that required it to use the WIFA loan to pay for the ATF. As of this date, no alternative plan has been approved.

The Company is also required to submit a new rate case by May 31, 2012, according to Decision No. 71317.

Once again, I strongly urge the ACC to take meaningful enforcement action against MRWC for its failure to provide safe drinking water to the community and its violation of the Consent Order. This includes filing a civil action and/or entering into a Compliance Agreement that includes significant penalties and notice to the ACC that the company is in violation of state laws.

John Dougherty
InvestigativeMedia.com
602-710-4089